



July 22, 2003

**Policy Brief..... FY 2004 Foreign Operations Appropriations**

**BY THE NUMBERS:**

*Budget Authority in Millions of Dollars*

	<b>FY '03 Enacted</b>	<b>FY '04 Request</b>	<b>FY '04 Cmte Bill</b>
Appropriations	16,227	18,889	17,120
Iraq Supplemental Spending	7,481	0	0
<i>Grand Total</i>	<i>23,708</i>	<i>18,889</i>	<i>17,120</i>

**Excluding supplemental spending, the Committee bill is:**

- \$893 million or 5.5% above last year; and
- \$1,769 million or 9.4% below the request.

**Including supplemental spending, the bill is \$6,588 million or 27.8% below last year.**

**LANGUAGE OF NOTE:**

Global AIDS Funding – The Committee Reported bill provides to USAID \$400 million of the funds made available under the Global AIDS Program. Under the recently enacted authorization, such funds should be provided to the Office of the Coordinator of U.S. Government Activities to Combat HIV/AIDS Globally. It is expected that Chairman Kolbe will offer an amendment to provide that the Administration may determine how much is allocated to the Coordinator and to USAID. *RSC Members are strongly encouraged to support this amendment.*

Russian Assistance to Iran – Withholds 60% of the funds allocated for the Government of the Russian Federation until the President certifies that they terminated any arrangements to provide nuclear assistance to Iran.

Millennium Challenge Accounts – Provides \$800 million, subject to authorization, for the Millennium Challenge Accounts. Section 575 of the bill actually provides authorization, but is subject to a point of order and is expected to be stricken from the bill.

Limitation on Funding Private Organization – U.S. private and voluntary organizations (other than cooperative development organizations) must obtain at least 20% of their funding from sources other than the U.S. Government to be eligible for funding.

Medically Accurate Condom Information – Requires that information provided about the use of condoms by programs funded under the Act be medically accurate.

Funding Commodities in Surplus – Restricts funding for expanding production of any commodity for export by a country other than the U.S. if the commodity is likely to be in surplus on the world market and if such assistance will injure U.S. producers.

Relocation of U.S. Businesses and Workers Rights – Prohibits funds from being used to provide an incentive for U.S. businesses to relocate outside the U.S. if such a relocation will reduce employment in the U.S. and also prohibits funding for any activity that contributes to a violation of internationally recognized worker rights.

Assistance to Government That Support Terrorism – Prohibits assistance to countries that export lethal military equipment to countries supporting international terrorism.

Assistance to the PLO – The bill contains several specific restrictions on providing assistance to the PLO (See Sections 545, 548, and 552).

Palestinian State – Prohibits funding to support a Palestinian State unless certain conditions are met (See Section 556).

Assistance to the Korean Peninsula Energy Development Organization (KEDO) – Prohibits funding.

Assistance to Afghanistan – Provides that not less than \$600 million shall be provided as assistance for Afghanistan.

UNFPA Funding – Provides \$25 million for UNFPA, provided that the UNFPA does not fund abortions, that the UNFPA does not fund China's State Planned Birth Commission, and that any amounts spent in China by UNFPA be deducted from the U.S. contribution to UNFPA. The Kemp-Kasten language also continues to apply to UNFPA.

Family Planning — The bill DOES NOT contain a minimum level of funding for population control as has been done in past years.

Debt Relief for the Poorest Countries – The bill authorizes the reduction of debt owed to the U.S. by the poorest countries.

Competitive Contracting for Iraq Reconstruction – The bill contains a provision requiring competitive contracting for Iraq Reconstruction efforts. The provision is subject to a point of order and is expected to be stricken from the bill.

Andean Drug Initiative – The bill continues certain restrictions under which assistance may be provided for the Andean Drug Initiative.

Early Disbursement of Funds to Israel — The bill requires that funds for Israel be disbursed within 30 days after the bill takes effect. No such early disbursement policy is provided for Egypt.

## **EARMARKS:**

University Programs – The Committee report directs USAID to actively consider funding (but still subject to the competitive process if applicable) 26 separate projects at universities. For a list see page 29 of the Committee report.

## FUNDING SUMMARIES & PERFORMANCE EVALUATION:

Special Note: As part of his FY 2004 Budget, the President included for the first time performance and management assessments for some federal programs. Programs evaluated were placed into one of five categories: effective, moderately effective, adequate, ineffective, or results not demonstrated (if inadequate data was available). For those programs assessed by the Administration and funded in this bill, the RSC has included the relevant evaluation. If a program is left blank, there was no evaluation included in the President's Budget.

*Dollars in Thousands*

	FY 2003 Enacted	FY 2004 Request	FY 2004 Cmte	Cmte Vs. FY 2003	Cmte Vs. Request	Cmte Vs. FY 2003	Cmte Vs. Request	Performance Ratings
Export-Import Bank.....	564,422	42,595	37,395	-527,027	-5,200	-93.37%	-12.21%	Moderately Effective
OPIC Subsidy Appropriation.....	23,844	24,000	24,000	156	0	0.65%	0.00%	Results Not Demonstrated
OPIC Admin Expenses.....	39,626	42,385	41,385	1,759	-1,000	4.44%	-2.36%	
Trade & Development Agency.....	46,706	60,000	50,000	3,294	-10,000	7.05%	-16.67%	
Agency for International Development.....	4,239,154	4,617,759	4,663,589	424,435	45,830	10.01%	0.99%	
<i>Child Survival.....</i>	<i>1,824,563</i>	<i>1,495,000</i>	<i>2,235,830</i>	<i>411,267</i>	<i>740,830</i>	<i>22.54%</i>	<i>49.55%</i>	
<i>Supplemental Child Survival.....</i>	<i>90,000</i>	<i>0</i>	<i>0</i>	<i>-90,000</i>	<i>0</i>	<i>-100.00%</i>		
<i>Reproductive Health Family Planning.....</i>	<i>368,500</i>	<i>368,500</i>	<i>368,500</i>	<i>0</i>	<i>0</i>	<i>0.00%</i>	<i>0.00%</i>	<i>Moderately Effective</i>
<i>Development Assistance.....</i>	<i>1,379,972</i>	<i>1,345,000</i>	<i>1,317,000</i>	<i>-62,972</i>	<i>-28,000</i>	<i>-4.56%</i>	<i>-2.08%</i>	
<i>Int'l Disaster Assistance.....</i>	<i>288,115</i>	<i>235,500</i>	<i>315,500</i>	<i>27,385</i>	<i>80,000</i>	<i>9.50%</i>	<i>33.97%</i>	
<i>Supplemental Int'l Disaster Assistance.....</i>	<i>143,800</i>	<i>0</i>	<i>0</i>	<i>-143,800</i>	<i>0</i>	<i>-100.00%</i>		
<i>AID Operating Expenses.....</i>	<i>568,282</i>	<i>604,100</i>	<i>604,100</i>	<i>35,818</i>	<i>0</i>	<i>6.30%</i>	<i>0.00%</i>	
<i>Supplemental AID Operating Expenses.....</i>	<i>24,500</i>	<i>0</i>	<i>0</i>	<i>-24,500</i>	<i>0</i>	<i>-100.00%</i>		
<i>AID Inspector General.....</i>	<i>33,084</i>	<i>35,000</i>	<i>35,000</i>	<i>1,916</i>	<i>0</i>	<i>5.79%</i>	<i>0.00%</i>	
Economic Support Fund.....	2,255,244	2,535,000	2,240,500	-14,744	-294,500	-0.65%	-11.62%	
<i>Economic Assistance to Israel.....</i>	<i>596,100</i>	<i>480,000</i>	<i>480,000</i>	<i>-116,100</i>	<i>0</i>	<i>-19.48%</i>	<i>0.00%</i>	
<i>Economic Assistance to Egypt.....</i>	<i>611,002</i>	<i>575,000</i>	<i>575,000</i>	<i>-36,002</i>	<i>0</i>	<i>-5.89%</i>	<i>0.00%</i>	
<i>Supplemental Funding.....</i>	<i>2,422,000</i>	<i>0</i>	<i>0</i>	<i>-2,422,000</i>	<i>0</i>	<i>-100.00%</i>		
Int'l Fund for Ireland.....	24,837	0	19,600	-5,237	19,600	-21.09%		
Assistance for Eastern Europe.....	521,587	435,000	452,000	-69,587	17,000		3.91%	

	FY 2003 Enacted	FY 2004 Request	FY 2004 Cmte	Cmte Vs. FY 2003	Cmte Vs. Request	Cmte Vs. FY 2003	Cmte Vs. Request	Performance Ratings
Assistance to the Former Soviet Union.....	755,060	576,000	576,000	-179,060	0	-23.71%	0.00%	
<i>Supplemental Iraq Reconstruction.....</i>	<i>2,475,000</i>	<i>0</i>	<i>0</i>	<i>-2,475,000</i>	<i>0</i>	<i>-100.00%</i>		
Inter-American Foundation.....	16,095	15,185	15,185	-910	0	-5.65%	0.00%	
African Development Foundation.....	18,568	17,689	17,689	-879	0	-4.73%	0.00%	
Peace Corps.....	295,069	359,000	314,000	18,931	-45,000	6.42%	-12.53%	
Millennium Challenge Corporation.....	0	1,300,000	800,000	800,000	-500,000		-38.46%	
Int'l Narcotics Control & Law Enforcement.....	195,720	284,550	241,700	45,980	-42,850	23.49%	-15.06%	
<i>Supplemental Intl Narcotics Control.....</i>	<i>25,000</i>	<i>0</i>	<i>0</i>	<i>-25,000</i>	<i>0</i>	<i>-100.00%</i>		
Andean Counterdrug Initiative.....	695,450	731,000	731,000	35,550	0	5.11%	0.00%	
<i>Supplemental Andean Counterdrug Init.....</i>	<i>34,000</i>	<i>0</i>	<i>0</i>	<i>-34,000</i>	<i>0</i>	<i>-100.00%</i>		
Migration & Refugee Assistance.....	781,885	760,197	760,197	-21,688	0	-2.77%	0.00%	
Emergency Refugee & Migration Assistance Fund.....	25,831	40,000	15,831	-10,000	-24,169	-38.71%	-60.42%	
<i>Supplemental Refugee &amp; Migration Assist.....</i>	<i>80,000</i>	<i>0</i>	<i>0</i>	<i>-80,000</i>	<i>0</i>	<i>-100.00%</i>		
Nonproliferation, anti-terrorism, demining.....	304,408	385,200	335,200	30,792	-50,000	10.12%	-12.98%	
<i>Supplemental Nonproliferation, etc.....</i>	<i>28,000</i>	<i>0</i>	<i>0</i>	<i>-28,000</i>	<i>0</i>	<i>-100.00%</i>		
Dept of Treasury Int'l Technical Assistance.....	10,730	14,000	19,000	8,270	5,000	77.07%	35.71%	Results Not Demonstrated
Debt Restructuring.....	0	395,000	95,000	95,000	-300,000		-75.95%	
Int'l Military Education & Training.....	79,480	91,700	91,700	12,220	0	15.37%	0.00%	
Foreign Military Financing.....	4,045,532	4,414,000	4,314,000	268,468	-100,000	6.64%	-2.27%	
<i>Military Assistance to Israel.....</i>	<i>2,086,350</i>	<i>2,160,000</i>	<i>2,160,000</i>	<i>73,650</i>	<i>0</i>	<i>3.53%</i>	<i>0.00%</i>	
<i>Military Assistance to Egypt.....</i>	<i>1,291,550</i>	<i>1,300,000</i>	<i>1,300,000</i>	<i>8,450</i>	<i>0</i>	<i>0.65%</i>	<i>0.00%</i>	
<i>Supplemental Foreign Military Financing.....</i>	<i>2,059,100</i>	<i>0</i>	<i>0</i>	<i>-2,059,100</i>	<i>0</i>	<i>-100.00%</i>		
Peacekeeping Operations.....	114,252	94,900	85,000	-29,252	-9,900	-25.60%	-10.43%	
<i>Supplemental Peacekeeping Operations.....</i>	<i>100,000</i>	<i>0</i>	<i>0</i>	<i>-100,000</i>	<i>0</i>	<i>-100.00%</i>		

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Contribution to the Global Environmental Facility.....	146,852	184,997	107,500	-39,352	-77,497	-26.80%	-41.89%	
Contribution to the Int'l Development Assoc.....	844,475	976,825	850,000	5,525	-126,825	0.65%	-12.98%	Adequate
Contribution to the Multilateral Investment Guarantee.....	1,620	4,002	4,002	2,382	0	147.04%	0.00%	
Contribution to Inter-American Development Bank.....	42,664	63,512	25,000	-17,664	-38,512	-41.40%	-60.64%	
Contribution to the Asian Development Bank.....	97,250	151,921	151,921	54,671	0	56.22%	0.00%	
Contribution to the African Development Bank.....	112,442	123,186	112,476	34	-10,710	0.03%	-8.69%	
Contribution to the European Bank for Reconstruction...	35,572	35,431	35,431	-141	0	-0.40%	0.00%	
Contribution to the Int'l Fund for Agriculture.....	14,906	15,004	15,004	98	0	0.66%	0.00%	
Int'l Organizations and Programs.....	193,882	314,550	194,550	668	-120,000	0.34%	-38.15%	

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